

March BOT Report
Skip Gianopulos

Insurance

The insurance committee did not meet since our last BOT meeting. However, we did receive a report back from Lundstrom Insurance regarding the Cuba Road Bridge.

Over the past few weeks, Lundstrom Insurance has been going back and forth with the underwriter at Scottsdale, only to have them stick with their original decision to include the surcharge for the Cuba Road Bridge.

The underwriter did acknowledge that they received a copy of the 10/20/10 WJE inspection before the 2011 renewal with your prior agent. However, because Lundstrom Insurance was not our Agent of Record at the time, Scottsdale was unable to give Lundstrom any details on how they utilized or charged for that inspection.

Scottsdale feels that they already gave us additional consideration, even with the surcharge, due to the “concerning” recommendations within both the 10/20/10 and 12/2/11 inspection reports. At the next renewal, they have stated that they would be willing to reconsider pricing as long as they have an updated bridge inspection report from a Certified Engineer with photos showing the following:

- The bridge superstructure is in good condition
- The ISIS Manual indication for the corresponding superstructure is above a 5 – fair condition for all aspects of the bridge. A rating of 6, 7, 8 or 9 would be acceptable.

Scottsdale also offered to allow us to exclude coverage for the Bridge at the 2013 renewal. Bob Kosin will determine specifically what risk we would assume in this situation; however it is highly unlikely that the Insurance Committee would make such a recommendation.

Another unlikely scenario would be for the Village to pursue moving coverage mid-term, Lundstrom is willing to approach another market. This would require the completion of new applications, and canceling the Scottsdale policies mid-term would also result in a short rate penalty. However, another company has already expressed the ability to offer a short term policy so that we could maintain the same renewal date of 1-1. This, if we are able to leave the Umbrella and Excess policies “as is” for the remainder of the term, could allow us to at least avoid the short rate penalty for those two policies.

The much more likely solution will be for us to finish this calendar year with Scottsdale and then secure